

1927

News items

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The first half of the book is devoted to a partial justification of our money and profits system, wherein it is pointed out that the profit incentive is probably the most satisfactory motive for individual effort and initiative; that profits and losses are a necessary result of the business risks which are inherent in a progressive society; and that competition must remain in our economic order, together with security of private property. The last part deals with adverse criticisms of our economic system demonstrating, among other things, that the present money and profit economy does not enable consumers, year in and year out, to obtain the required money to buy goods quite as rapidly as they are produced, which is necessary to attain the desired economic aim of constantly advancing the material well-being of the people generally; and that there is consequently no possibility of sustained economic progress, and extreme alternations of prosperity and depression are inevitable.

It is contended that consumer buying does not keep pace with production for two reasons: first, because approximately one-half of all industrial profits are invested in increasing production rather than disbursed to consumers to buy the goods already produced; second, because consumers, under the necessity of saving, cannot spend even as much money as they receive. Dollars saved instead of spent are used to a large extent for the production of more goods, thereby increasing the difference between production and consumption. One of the more important factors which tends to make up for the deficit in consumer buying is the expansion of the volume of money. However, the money is expanded mainly to facilitate the production, rather than the consumption of goods, and the goods must be sold to consumers for more money than the expansion has provided.

Although the authors analyze and discuss the problems without offering a solution,

the general statement is made that our greatest economic need to sustain a forward movement in business is adequate consumer purchasing power. This contemplates a flow of money to consumers which, after providing for savings, would always be approximately equal to the flow of finished goods.

The book differs from the average discussion of economic principles in that the terminology used is well adapted for those who are more practical minded. It is one of a series of publications of the Pollak Foundation for Economic Research, which offers a prize of \$5,000 for the best adverse criticism of the arguments advanced.

News Items

Colonel Carter returned from Europe on January 25, on the S.S. *Berengaria*, after spending a month visiting our London, Paris, and Berlin offices.

Mr. Forbes returned from the Orient early in January after having assisted in the opening of our new office located in the Pacific Building, Manila. He also visited Shanghai and several cities in Japan in connection with other professional matters.

Mr. C. M. Doiseau, of the systems division of the Technical Procedure Department, has resigned to become vice-president of The Cambridge Tile Manufacturing Company, Covington, Kentucky.

Mr. H. W. Scott, of our Detroit office, recently has received the C. P. A. certificate of the State of Michigan, as a result of the November, 1926, examination.

Mr. E. K. Ford, of our Philadelphia staff, also is to be congratulated upon passing the November, 1926, C. P. A. examination of the State of Pennsylvania.